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CURRENT INTELLIGENCE WEEKLY SUMMARY



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T H E W E E K I N B R I E F

BERLIN Page 1

The East German regime, with the backing of the Warsaw Pact nations, has almost completely sealed off West Berlin from East Berlin and East Germany, but has been careful, except in isolated cases, not to interfere with Allied travel. Nevertheless, the measures announced on 13 and 15 August violate the postwar Four-Power agreements on Berlin. This fact, together with the efficiency and ruthlessness with which the measures were put into effect, suggests that Moscow felt compelled to stem the refugee flow.

The USSR backed the East German moves at the outset by encircling Berlin with military roadblocks two to three miles from the city borders, but there have been no other significant movements of Soviet troops in East Germany. On 15 August the Soviet commandant in Berlin, in reply to a protest of 3 August by his Western counterparts over East German actions at that time against border crossers, refused to take action and reiterated the USSR's position that the Soviet sector of Berlin is under East German jurisdiction. The East German regime, to head off any West German countermeasures, now has threatened to interfere with freight traffic between West Germany and West Berlin.

West Berliners are becoming increasingly restive, particularly over the lack of effective Western countermeasures. The East German population appears to be sullenly accepting the fait accompli. [REDACTED]

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CONGO Page 7

Premier Adoula's trip to Stanleyville on 16 August indicates that he plans to settle the issue of Gizenga's participation in the government before taking action against Katanga. Gizenga's position has been weakened by his isolation from events in Leopoldville; he remains apprehensive concerning his reception if he should come to Leopoldville and reportedly has little confidence in his colleagues there. [REDACTED]

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[REDACTED] The American Embassy reports a "honeymoon" atmosphere among politicians in Leopoldville. [REDACTED]

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BIZERTE Page 8

The Afro-Asian bloc plans to introduce a draft resolution at the special UN General Assembly session criticizing France and calling on Paris to comply with the 22 July Security Council resolution and to enter into negotiations for the evacuation of Bizerte. The Tunisians apparently still hope that bilateral negotiations will be arranged before the special assembly session on 21 August. The situation in Tunisia remains tense, with the Bourguiba regime under visible strain. The assassination in Germany of Bourguiba's archrival, Salah Ben Youssef, is not likely to arouse much immediate animosity toward Bourguiba, and may facilitate the regularization of relations with the UAR. [redacted]

FRANCE-ALGERIA Page 10

French pressure on the Provisional Algerian Government to resume the twice-suspended talks is apparent in official references to plans for a "provisional executive" in Algeria, in publicity on partition and repatriation of the European settlers as a last resort, and in the 11 August termination of the unilateral truce which Paris had proclaimed on 20 May as the Evian talks began. There has been no reaction to these gestures from the National Council of the Algerian Revolution, which continues [redacted] meeting in Libya. [redacted]

LAOS Page 11

No progress was made during the week toward formation of a government of national union, although the three contending sides engaged in perfunctory exchanges at the resumed Namone talks. The military situation is generally quiet; there has been sporadic fighting, however, and the Pathet Lao forces retain a capability for expanded operations. [redacted]

CUBA Page 12

At the Inter-American economic conference Che Guevara seems to have had some success--both at conference sessions and in behind-the-scenes maneuvering--in his efforts to hinder a united Latin American stand for sanctions against Cuba. Sporadic armed opposition to Castro is reportedly being resumed, but the threat it poses to the regime is minimal. [redacted]

CROP AND LIVESTOCK PROSPECTS IN THE USSR Page 13

With harvesting in full swing in many areas of the Soviet Union, prospects for a bumper harvest, approaching the record of 1958, continue to be favorable. In the southern part of the European USSR, the harvesting of an excellent winter grain crop is nearing completion, and

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good yields are being reported from other areas. Prospects for spring grains, however, remain uncertain, especially in some important areas of the New Lands where the moisture supply has been inadequate during much of the growing season.

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NEW SOVIET PROPAGANDA AGENCY BEGINS OPERATIONS Page 14

The first activities of Novosti--the new "nonofficial" Soviet press and information agency established on 21 February--confirm previous indications that it would serve as a major propaganda organ for Soviet communism and Communist-front organizations, especially in underdeveloped areas. The appointment of Aleksey Adzhubey--Khrushchev's son-in-law and editor of Izvestia--as one of four chairmen of the governing Council of Founders suggests that Novosti will follow his livelier human-interest approach to journalism. Novosti now is setting up a world-wide network of offices and correspondents and is offering its material to foreign press, radio, and other organizations.

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ALBANIA SEEKS ECONOMIC CONTACTS IN THE WEST Page 15

Albania is probing for increased trade with the West to help offset the economic effects of its growing estrangement from the Soviet bloc. As part of this effort, approaches have recently been made to Italy, France, Turkey, Austria, and Canada. Some Soviet aid projects in Albania have been suspended, and many Soviet advisers have left the country. With the help of Peiping, whose economic role in Albania probably will become of major importance by the end of the year, Tirana apparently intends to maintain its ideological position undeterred by the threat of further Soviet economic pressure.

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SOUTH KOREA Page 16

South Korean leader Lt. Gen. Pak Chong-hui's promise to return the government to civilian authority in 1963 will probably ease public uncertainty caused by the military coup. Many South Koreans are in sympathy with the reformist objectives of the regime, if not with the regime itself, and probably will agree that 18 months are necessary to weed out corruption, institute basic reforms, and launch the five-year economic development program.

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POLITICAL TENSIONS IN BURMA Page 17

Premier Nu's move to establish Buddhism as Burma's state religion is bringing to a head the discontent of the country's ethnic and religious minorities, who see it as a device to perpetuate Burman domination of the country. The army fears an outbreak of violence,

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especially in the Kachin State, and the possible desertion of its Chin and Kachin soldiers. Basic to the restiveness is the minorities' historic distrust of the Burmans, augmented by the arrogance of Burman officials.

TURKEY Page 18

Turkey's ruling Committee of National Union (CNU) is tightening security precautions to forestall demonstrations by supporters of deposed Premier Menderes, who is to be sentenced on 15 September. The CNU is also concerned over the possibility that one of the smaller parties might adopt Menderes' policies to win the votes of pro-Menderes elements in the elections on 15 October. Some dissension appears to persist within the CNU itself over whether military rule should be continued and whether the 14 former CNU members who were exiled in November 1960 for their extremist views can be permitted to return to Turkey now.

US-PORTUGUESE RELATIONS Page 19

Pedro Teotónio Pereira, who has just arrived in Washington to reassume the ambassadorship he vacated 11 years ago, has long been considered Salazar's choice to succeed him in the premiership. The appointment, which probably reflects Salazar's desires to have his views forcefully presented in Washington, comes at a time when Portuguese domestic propaganda is blaming the US for Lisbon's African problems and when Lisbon is planning to criticize the American policy when it discusses these problems in NATO.

THE CANADIAN POLITICAL SITUATION Page 19

The launching of Canada's "New Democratic party" early this month and the approach of the 7 September date for the reconvening of Parliament have encouraged speculation over the possibility of a snap fall election. National elections are not mandatory until March 1963. Prime Minister Diefenbaker is believed to have called the summer parliamentary recess largely to assess a political situation that is increasingly dominated by domestic issues and to decide whether his government would profit by an early appeal to the electorate.

SPECIAL ARTICLES

PROPOSALS FOR REORGANIZATION OF THE UNITED NATIONS SECRETARIAT Page 1

Secretary General Hammarskjöld is proceeding with his plans to reorganize the UN Secretariat to accommodate some of the demands of the Afro-Asian and Soviet bloc members

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for a larger share of policy-making positions. His proposals and those of a committee of experts set up to study the problem will be heatedly discussed at the 16th General Assembly convening next month. Moscow is expected to renew its attacks on the Secretariat at this assembly, but Hammarskjold, noting that his proposals have tentative Afro-Asian approval, believes that the USSR will not be able to muster much support for its criticisms.

[REDACTED]

PROBLEMS OF SOVIET PIPELINE CONSTRUCTION Page 4

The USSR has invited bids from West German and French firms for steel pipe and associated equipment to lay a 40-inch pipeline from the Gazli natural gas field, in the Uzbek SSR, to industrial consumers at Sverdlovsk, in the eastern Urals. This pipeline--with a potential annual capacity of more than 350 billion cubic feet--is an integral part of the USSR's general energy development program. The availability of natural gas in the Ural industrial region to replace other fuels could increase the pace at which Moscow is expanding its oil exports to the free world. The USSR, which as yet produces no large-diameter pipe suitable for the Gazli-Sverdlovsk line but may have token domestic production of 40-inch steel pipe later this year, will require more than 2,000,000 tons of it, mostly imported, to meet Seven-Year Plan goals. Unless the desired Western support can be obtained, it is likely that construction of the Gazli-Sverdlovsk gas pipeline will be beyond Soviet capability for several years at least.

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WEEKLY REVIEW

BERLIN

In an effort to halt the refugee flow, which reached near-panic proportions last week, the East German regime--purportedly at the behest of the Warsaw Pact countries--moved swiftly and effectively in the early morning hours of 13 August to seal off West Berlin from East Berlin and East Germany. At the same time it announced a series of decrees spelling out its actions.

The New Decrees

All East Germans and East Berliners who wish to go to West Berlin will have to secure special permits from their local police. A veiled warning was issued to East Germans to stay out of East Berlin unless on official business. The number of crossing points on the sector border between East and West Berlin was reduced from 87 to 13. East German army, police, and security forces were brought in to control movement over the sector and zonal borders surrounding West Berlin. It also was decreed that East Berlin and East German "border crossers" who have been working in West Berlin must no longer work there.

The East German Ministry of Transport took steps to cut off elevated railroad (S-Bahn) service between West Berlin and both the Soviet sector and the East Zone. The S-Bahn, operated by the East German regime, has been the main transportation artery in the city and surrounding suburban areas. The S-Bahn service will be continued within West Berlin and, separately, in East Berlin and the zone. Similarly, the subway (U-Bahn)--under Western control except for one line--is permitted to make only one stop on the two lines which run through East Berlin.

On 15 August, the East German Ministry of Interior issued a regulation requiring West Berliners to secure special per-

mits for their cars or motorcycles to enter East Berlin. Thus, for the first time West Berliners are forced to secure permits to enter the Soviet sector. This decree, like those of 13 August, violates the post-war quadripartite agreements providing for Four-Power occupation of all of Berlin as well as the Four-Power Paris agreement of 20 June 1949 which ended the blockade of Berlin.

The East Germans also reduced the number of East - West Berlin sector control points where West Germans may secure passes to visit East Berlin. This move underlines the regime's claim to the right to control West German travel into East Berlin, set forth initially in a decree of 8 September 1960--also in violation of the Four-Power status of Berlin. This decree was one of the major reasons leading Bonn to abrogate the interzonal trade agreement last September. Bonn rescinded this action only after the East Germans in December agreed, among other concessions, not to give effective enforcement to the 8 September decree.

The regime has announced also that it will be illegal for East Germans to accept identification papers from West Berlin or West Germany. Bonn hitherto had granted such identification to East Germans, on grounds of common German citizenship.

Refugee Flights

Figures on the official registrations of East German refugees at the Marienfelde Refugee Reception Center for 12 through 15 August total 10,712. The large majority of those escaped before the border closed on 13 August. No reliable count is yet available of those refugees who have since circumvented the new controls. Of the four-day total, 1,656 were border crossers; 994 of these came from East Berlin.

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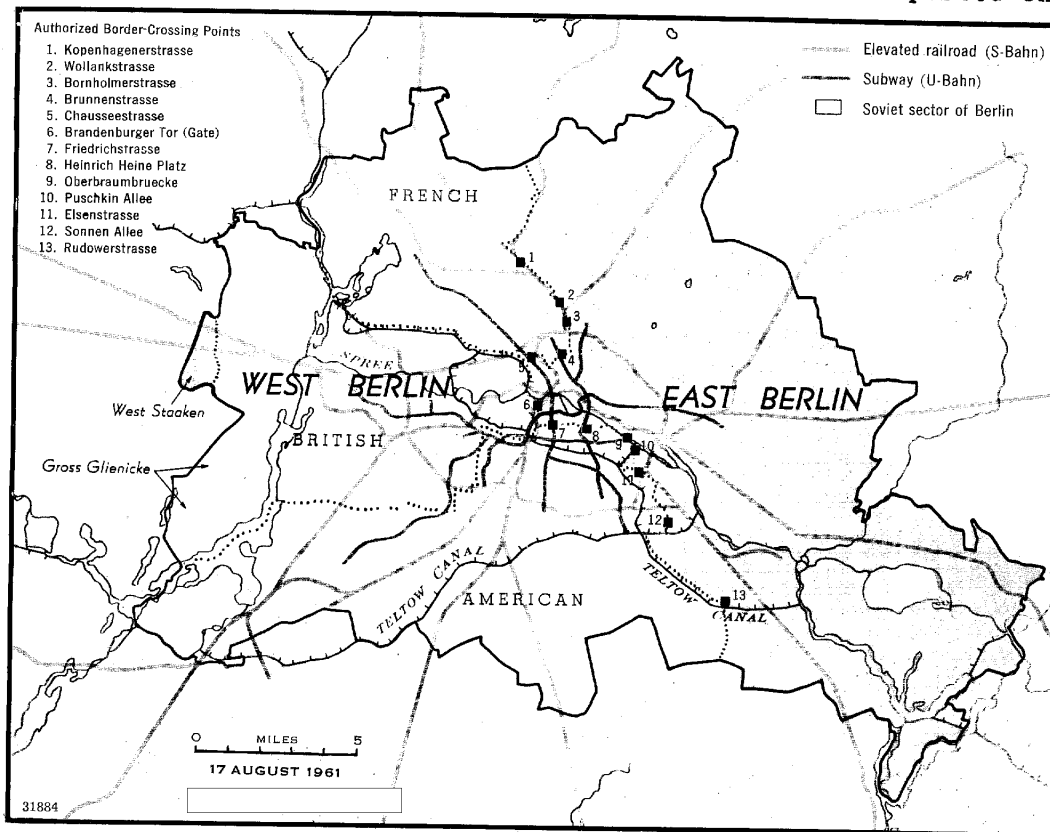
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The US Consulate General in Frankfurt received a report

that there had been slightly more than 100 refugee escapes across the East German - West German border into Hesse from Thuringia since the morning of 15 August.

sanctions might be imposed against the Communist bloc if the Berlin issue could not be settled.

There has, however, been interference with communications linking East Germany, West Berlin, and West Germany. The US Mission in Berlin reported on

Traffic and Communications

While traffic--either Allied or West German--between West Berlin and West Germany has not yet been affected, the regime has threatened to interfere with West German freight shipments if Bonn resorts to economic countermeasures. Chancellor Adenauer in a speech on 14 August warned that trade

15 August that telephone service between East and West Germany was still interrupted, although that between West Berlin and West Germany was functioning normally. Telex service between East and West Berlin has been cut. These moves probably reflect the regime's attempt to deprive its own population of means to communicate with the West.

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Travel of East Germans to the West appears to have been drastically cut. The press reports that East Germans are being ordered off trains at frontier points between East and West Germany. The Swedish travel bureau says that East Germans are no longer to be allowed to organize travel groups via ferry to Sweden.

Military Moves

Elements of two--and possibly three--Soviet divisions stationed outside Berlin were at the outset deployed in small tank and infantry groups in a circle two to three miles from the city's Outer Ring. These elements had evidently withdrawn or moved into assembly areas by the afternoon of 16 August. The East German army and police units which moved into the Berlin area this past week end are apparently still there.

Popular Reaction

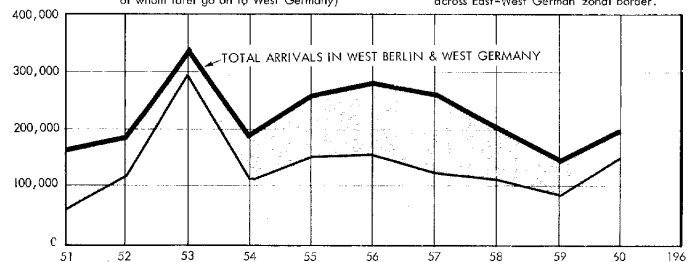
The East German population, cowed by the show of Soviet - East German force, is generally taking a cautious line in commenting on developments and evidently is closely watching for reactions by the Western powers.

Soviet Position

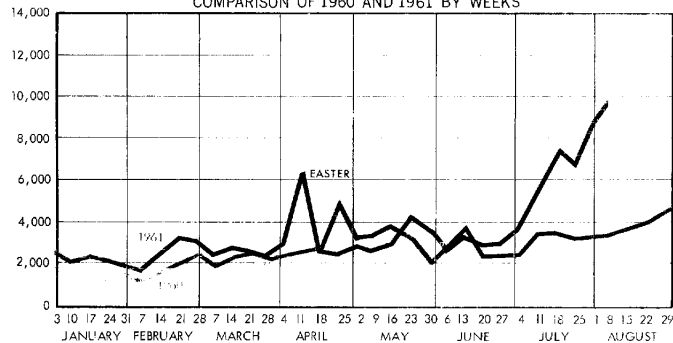
The Soviet decision, apparently taken at the Warsaw Pact conference on 3-5 August, to authorize the controls to halt the refugee flow underscores the dilemma confronting Khrushchev. Since his talks with President Kennedy in Vienna in early June, the Soviet premier has sought to impress the West with his determination to bring the Berlin situation to a head

before the end of the year. As part of his campaign to force the West into early negotiations on Soviet terms, he had gone to some lengths to create the impression that no Western moves could deflect the bloc from carrying through with its announced intentions. This more aggressive tone, however, was largely instrumental in precipitating the mass flight of East Germans which was an acute embarrassment for Soviet police.

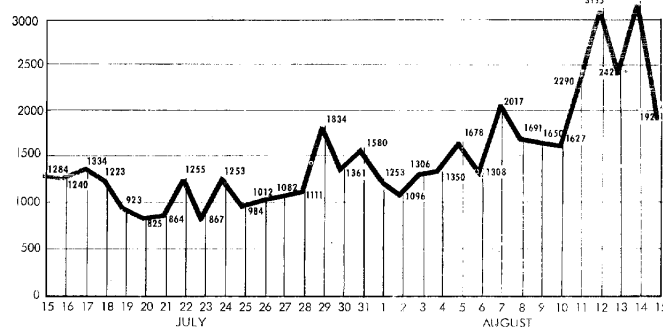
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TOTAL ANNUAL REFUGEE FLOW INTO WEST BERLIN AND WEST GERMANY
Refugees entering West Berlin (most of whom later go on to West Germany)
Refugees entering West Germany directly across East-West German zonal border.



WEST BERLIN REFUGEE TOTALS
COMPARISON OF 1960 AND 1961 BY WEEKS



DAILY TOTALS SINCE 15 JULY 1961



* Large majority escaped before border closed 13 August.

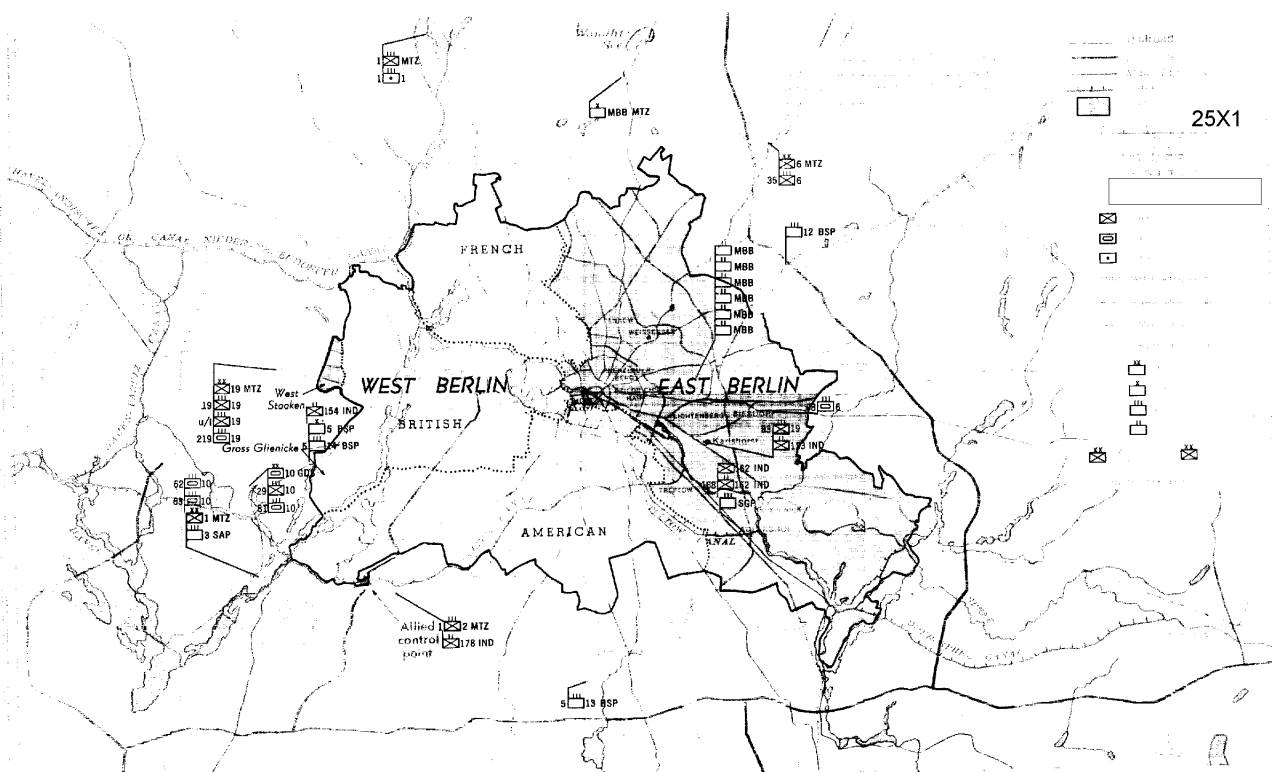
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The dramatic demonstration of popular disaffection indicated by the refugee flow threatened to undermine Khrushchev's contention that the West should accept the "existing situation" of two sovereign Germanys and deal with East Germany as a legitimate state by recognizing its "rights" to control communi-

Soviet willingness to endorse these drastic repressive measures, despite the risks of provoking an uprising, may reflect a greater willingness to proceed with a separate East German peace treaty without waiting for prior negotiations with the West. It seems more likely, however, that Khrushchev



cations to Berlin. This weakening of one of Khrushchev's central themes, plus the economic dislocation in East Germany, apparently convinced the USSR it had no choice but to sanction the far-reaching controls in Berlin or admit a severe setback to the general Soviet policy on Germany and Berlin.

will adhere to his previous position and timetable and continue to seek negotiations with the West before a treaty. Statements by Ulbricht and East German Foreign Minister Bolz after the Warsaw Pact meeting suggest that the precise timing of a bloc peace conference may have been confirmed in Moscow. Bolz

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indicated that the bloc foreign ministers will meet in "late fall" to consider the "results of the preparatory work" on a treaty, while Ulbricht indicated that drafting of a treaty was now in progress.

Khrushchev's speech of 11 August, however, is evidence that the USSR is still holding the door open to negotiations. While giving equal weight to threats against NATO Allies and to appeals for negotiations, Khrushchev sought to display some flexibility on the possibilities for a negotiated settlement. He reaffirmed that the USSR would offer "reliable guarantees" for a free-city status and indicated that there could be several "variations" on the terms of such guarantees. He also claimed that the question of West Berlin was "in itself" not so difficult to solve, provided the issue was not turned into a "trial of strength."

The announcement on 10 August that Marshal Ivan Konev had been appointed commander of Soviet forces in East Germany was probably related to the decision to seal the Berlin sector boundaries and to the general Soviet strategy vis-a-vis the West. Konev's appointment places a highly trusted and close associate of Khrushchev in a key position during a period of greatly increased tensions in Berlin. The advance notice that Konev was in command was probably calculated to impress the East German populace with the extent of Soviet support for the regime and Soviet willingness to use its forces to suppress any popular opposition.

The naming of Konev also served to underscore the seriousness of the measures recently announced by Khrushchev to "make the defensive might of the So-

viet Union even stronger and more dependable." The selection of Konev, commander of the Warsaw Pact for five years and leader of the forces which captured Berlin, is also calculated to sharpen the repeated warning that the bloc will rebuff any resort to force by the West following a separate peace treaty. Khrushchev probably feels that the appointment of a man of Konev's prestige and experience will strengthen his efforts to impress the West with his determination to conclude a separate treaty in the absence of a negotiated settlement.

The 15 August letter of the Soviet commandant in Berlin, rejecting a 3 August Western protest against restrictions at that time on border crossers, previews the general diplomatic line the USSR can be expected to follow in connection with Western protests against the current control measures. The Soviet letter reaffirms Moscow's contention that East Germany has sole legal jurisdiction over East Berlin. Underlining the "exclusive competence" of the Ulbricht regime in East Berlin, it charges the West with using the "occupation regime in West Berlin for intolerable provocations and undermining activities" against East Germany and the bloc.

Reaction in West Germany and West Berlin

During a meeting with Soviet Ambassador Smirnov on 16 August, Chancellor Adenauer agreed that neither Bonn nor Moscow should do anything which might worsen the international situation. On hearing of Adenauer's remarks, West Berlin Mayor Brandt said it was "unthinkable" that the chancellor should at so early a stage assure that Bonn would not take

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serious countermeasures. He said this would lead Moscow to expect similar reaction from the Western Allies and have the effect of encouraging additional Soviet moves against Berlin.

West German and West Berlin leaders have urged all Germans to remain calm and patient and avoid "emotional behavior" which would only worsen the situation in East Germany. Defense Minister Strauss, at a campaign rally on 14 August, warned that any explosive reaction by West Germans to East German moves would lead to developments "impossible to control," adding, "If shooting starts, no one knows with what kinds of weapons it will end." Strauss criticized the overeagerness of West German businessmen for trade with the bloc and said that the East German Leipzig Fair, scheduled for 3-10 September, was no place for West German participation.

West Berliners, meanwhile, are becoming increasingly restive over the lack of prompt Western countermeasures. There is also a feeling in Berlin Senat circles that the proverbial calm of the West Berlin population has given way to considerable nervous tension. West Berlin crowds on 15 August criticized Brandt for making "high-sounding statements but failing to take concrete measures." To reduce the chances of incidents, West Berlin police are being kept on "maximum alert" and all demonstrations near the sector borders are forbidden.

At the large demonstration addressed by Mayor Brandt on 16 August, West Berliners waved banners saying "Better dead than Red"; "We demand countermeasures"; "90 hours without doing anything"; and "Betrayed by the

the West?" Berlin officials scheduled the rally as a means of allowing the restive populace to "let off steam" and restore confidence. Some instances of panic buying have been reported, and city officials have been queried by anxious individuals as to whether they should go ahead with vacation plans or whether they should make preparations for leaving the city. Political leaders are fearful that a "crisis of confidence" may develop as a result of unfulfilled expectations of Western countermeasures.

A walkout of West Berlin workers--probably with official instigation--has forced the suspension of the Communist paper Die Wahrheit, published in West Berlin, and there are indications that similar methods may be used against the West Berlin offices of the East German Socialist Unity party (SED). The Social Democratic (SPD) organization in East Berlin has been released from party loyalty and discipline obligations, and East Berlin SPD members have been advised to do whatever is necessary for their own safety. Berlin officials have also indicated that the paying of West-mark subsidies to West Berliners working in East Berlin will be discontinued.

West Berlin officials maintain that no "serious" trouble is expected from the loss of the 50,000 East Germans who had jobs in West Berlin. Most firms expect only a temporary inconvenience since they were careful to limit the proportion of border crossers working in any one part of their operations. The greatest hardship will be experienced by small firms where the lack of one or two skilled workers can cause serious trouble or where most of the workers were border crossers.

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CONGO

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Premier Adoula's trip to Stanleyville on 16 August reflects the importance Leopoldville officials attach to Gizenga's participation in the government. With virtually all his lieutenants cooperating with Adoula, Gizenga's position has been weakened by his isolation from events in Leopoldville. He remains apprehensive concerning his reception if he should come to Leopoldville and reportedly has little confidence in his colleagues there. Adoula told the American chargé in Leopoldville on 15 August that he planned to tell Gizenga flatly to come to the capital. Adoula's stand apparently has the support of the Gizengists in the central government

Gizenga's ability to maintain himself in Stanleyville hinges principally on the support of his bloc and African allies and on the loyalty of his military forces; their loyalty, in turn, depends on the attitude toward Gizenga of their commander, General Lundula. Lundula, who has established some degree of control over the Congolese troops in the Stanleyville area, had previously indicated a willingness to take orders from the government endorsed by the parliament; however, he also seems to be apprehensive over his prospects in Leopoldville and may still be responsive to Gizenga's orders. Adoula had previously attempted to persuade Lundula to come to Leopoldville for discussions.

The American Embassy reports a "honeymoon" atmosphere in Leopoldville, with former enemies vying in their protestations of loyalty and willingness to cooperate with Adoula. Former Gizengists such as Interior Minister Gbenye appear to be cooperating with the other factions, and some have made disparaging remarks about Gizenga. General Mobutu is described as "relaxed" and emphasizing his fidelity to the government, and South Kasai leader Kalonji appears to be playing ball for the moment. The embassy questions how long the "present era of sweetness and light" will last, but it comments that, "for the moment, all are showing non-Congolese industry and a willingness to get on with the job."

The Tshombé regime in Katanga is still trying to escape the consequences of its isolation. A recent Elisabethville communiqué announcing Tshombé's willingness to go to Leopoldville was hedged with conditions; it asserted that a "reorganization" of Katanga was not called for and that Katanga could not

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carry the burden of financial difficulties for the rest of the Congo. Moreover, Tshombé as recently as 10 August told American officials that while he wanted a reconciliation with Leopoldville, Adoula had made this impossible. He added that he had no plans to go to Leo-

poldville and asserted that Interior Minister Munongo--his principal Katanga rival--was still opposed to collaboration with Leopoldville. Officials in Leopoldville appear to be ignoring Katanga at present in the belief that time is on their side. 25X1

BIZERTE

The Afro-Asians' plans for the special UN General Assembly session opening on 21 August call for the introduction of a draft resolution criticizing France and calling on Paris to comply with the Security Council resolution of 22 July and to enter into negotiations leading to the evacuation of Bizerte. The US delegation believes that such a resolution--possibly with some modification--can win the necessary two-thirds support.

The French UN delegate has been ordered to refrain from behind-the-scenes activity and to avoid suggesting formulas for resolutions, "even to close friends." He said the delegation would not be present in the assembly hall but would be available "in the corridors in case friends desired to discuss problems." He believes the French African states, with the cooperation of "good Latin Americans," will introduce a moderate resolution to which the French delegation could give "passive blessing."

However, Paris' failure to comply with the UN demand that it pull back its troops has alienated some UN members that might otherwise work toward moderation. Argentina's delegate told the American delegation on 11 August that he believed France was clearly in contempt of the United Nations and that such contempt "cannot be tolerated."

Bahi Ladgham, Tunisia's minister of defense, implied in a conversation with the American ambassador that his government hoped the period before convening the special General Assembly session would be used to arrange bilateral negotiations. Ladgham also said France had plenty of time to undertake something "visible" toward compliance with the Security Council's 22 July resolution--which recommended that the French forces pull back to positions they held before hostilities began on 19 July.

Tunisian officials do not consider Paris' announced

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intention to remove one of the three regiments of paratroop reinforcements an adequate gesture in the absence of the regiment's actual departure from Bizerte. They conceded on 15 August that from 200 to 300 French troops "may have been" pulled out within the preceding 48 hours. [REDACTED]

Tunis rejected the French note of 11 August suggesting talks "looking toward arrangements" to facilitate the return to a more normal situation at Bizerte and to deal with the problems of Tunisian prisoners and detained French nationals. In its reply, the Tunisian Government indicated that compliance with the Security Council resolution would return Bizerte to a more normal situation, while the problems of prisoners and detainees were being adequately taken care of through the auspices of the International Red Cross. The Tunisian note emphasized that the only bilateral discussions Tunis would consider "useful" were those "defining the modalities and the schedule for the evacuation of French forces from all Tunisian territory."

Concern is mounting within the Tunisian Government over clashes between Tunisians and French forces. Officials claim that a raid on 13 August by French forces on a farm some 12 miles outside Bizerte, in which three Tunisian civilians were killed, was dispersed by

a unit of the Tunisian Army. The French, on the other hand, state that a "routine" French patrol was attacked by "50 armed Tunisians" belonging to the Kasserine section of the Neo-Destour party and that the Tunisians, not the French patrol, violated the cease-fire.

Although President Bourguiba again took a moderate tack in his speech on 12 August and undoubtedly wishes to avert any sharp deviation in his policy of Western-oriented non-alignment, his regime is under visible strain as his Neo-Destour party proclaims its disillusionment with the West. Bourguiba, in the view of the American Embassy in Tunis, is no longer the sole formulator of Tunisian policy, able to mold opinion or carry it along by his own dynamism. The embassy anticipates that "young Turks" within the cabinet may become increasingly assertive.

The assassination on 12 August in Frankfurt of Bourguiba's archrival Salah Ben Youssef is not likely to arouse much immediate animosity toward Bourguiba and may facilitate regularization of relations with the UAR. Nasir's sponsorship of Ben Youssef was one of the major causes of Bourguiba's break with Cairo in 1958. Ben Youssef had been in Germany since early June. [REDACTED]

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FRANCE-ALGERIA

French pressure on the Provisional Algerian Government (PAG) to resume the twice-suspended talks is apparent in official references to plans for a "provisional executive" in Algeria, in publicity on partition and repatriation of the European settlers as a last resort, and in the termination on 11 August of the unilateral truce which Paris had proclaimed on 20 May as the Evian talks began. There has been no reaction to these gestures from the National Council of the Algerian Revolution (CNRA), which continues meeting in Libya.

for as many as 400,000 of the million-odd Europeans.

Cancellation of the ceasefire appears to have had multiple motivations. While the security situation in Algeria has in fact deteriorated, the move seems to have been timed to assuage army resentment at the withdrawal of a paratroop regiment from Bizerte. High-ranking military officers are said to be becoming increasingly dissatisfied with De Gaulle.

The usually well-informed Le Monde says Joxe has already chosen a "provisional executive" of seven Moslems and two European civil servants to govern Algeria if the talks are delayed for too long or if they fail. De Gaulle's "re-groupment as a last resort" threat is highlighted by publicity accorded alleged government plans to repatriate those European settlers who would leave Algeria when it attains independence. The press has reported an "official announcement" of repatriation plans

Ambassador Jones in Libya reported on 14 August that the CNRA was meeting there in strict secrecy in the Tripolitania Legislative Assembly building--well guarded by local police--and might continue for one more week. The French ambassador told him the Saharan problem was the opening subject, but the Libyan foreign minister on 13 August professed ignorance of developments within the meeting. One of the minister's subordinates told Jones that a fight was brewing between radical elements--including the military--who desired to accept aid from the Communist bloc, and the moderates led by PAG premier Ferhat Abbas and deputy premier Belkacem Krim.

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PAG leaders have not indicated their attitude on France's termination of the unilateral cease-fire. While PAG leaders may be somewhat relieved by the removal of pressures on them to

reciprocate, the move will probably be used by the extremists to argue that two rounds of talks have failed to achieve PAG objectives and that further attempts are useless.

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LAOS

No progress was made during the week toward formation of a government of national union in Laos. The three sides engaged in perfunctory exchanges on the subject at the resumed Namone talks on 14 and 16 August. The Pathet Lao representatives attacked a government proposal that a number of names be submitted to the King as candidates for the premiership, reaffirming the position that the Pathet Lao would accept only a government under Souvanna Phouma.

The chief of Souvanna's delegation proposed a cabinet with eight neutralists and three or four representatives each from the Pathet Lao and the Phoumi - Boun Oum group. He hinted that not all of the neutralists need be taken from Souvanna's Xieng Khouang group, thus leaving the door open for moderates now nominally supporting the Boun Oum government in Vientiane.

The artillery duel around Xieng Khouang between Kong Le - Pathet Lao forces and Meo units loyal to the government subsided on 11 August. The Meos withdrew to new positions in hills some miles from the town. Few, if any, casualties were sustained by either side.

In southern Laos, the Pathet Lao recently captured a government post about 25 miles south-west of Saravane. The government reoccupied the post over the week end. While this was apparently an isolated incident, the Pathet Lao forces retain a substantial capability for expanded operations in the south.

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conference reflected the theme that the "resounding address" of Che Guevara and the Cuban's presence at the meetings resulted in the "complete failure" of US hopes regarding the outcome of the conference. The Cuban press and radio have also featured lengthy commentary on the two stolen US documents publicized by Guevara at the conference, branding their contents as "proof" of US "meddling" in Venezuela's and other countries' affairs. A 16 August Havana radio report disclosed that Cuba, chagrined at Venezuela's rejection of the charge of US interference, had sent a note to Caracas protesting Venezuela's statements on the matter as "offensive to the dignity of the Cuban people."

Recent press reports in Cuba and the US indicate that armed opposition to the Castro regime has been resumed after four months of relative inactivity. Occasional terroristic acts by individuals or small groups have been reported, while exiled anti-Castro elements claim that a 400-man opposition force near Manzanillo in Oriente Province is being opposed by 30,000 Cuban troops.

Although a gradual resurgence of opposition efforts appears likely, the increased strength and efficiency of the government's military and investigative arms, added to the opposition's continuing disorganization and lack of supplies, almost certainly preclude any present internal threat to the regime.

Che Guevara continued his contacts with pro-Castro representatives of Uruguayan and Brazilian political and labor groups while attending the inter-American economic conference in Punta del Este, Uruguay, and there are indications that Cuba may have gained ground in its efforts to forestall any unified Latin American approach toward imposing sanctions on the Castro regime. Guevara is expected to visit Brazil following the conference, but Brazilian delegates have emphasized to Secretary Dillon that the initiative for the visit came from Guevara.

In Cuba, heavy propaganda coverage of the Punta del Este

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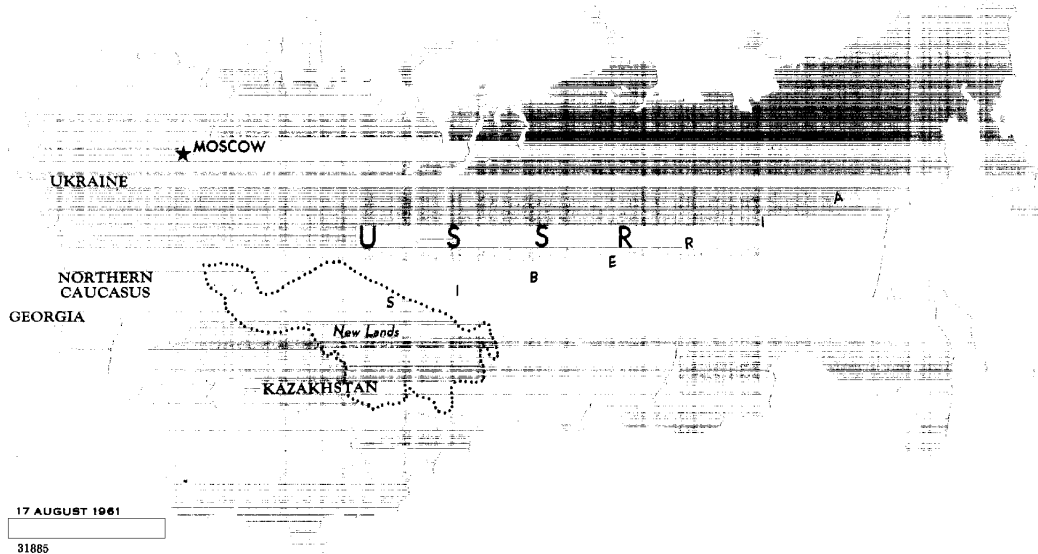
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CROP AND LIVESTOCK PROSPECTS IN THE USSR

With harvesting in full swing in many areas of the Soviet Union, prospects for a bumper harvest, approaching the record of 1958, continue to be favorable. In the southern

yet to be harvested, grain procurement by 5 August had already equaled that for all of 1958. The harvest is also proceeding well in the RSFSR.



part of the European USSR, the harvesting of an excellent winter grain crop is nearing completion, and good yields are reported from other areas. Prospects for spring grains, however, remain uncertain, especially in some important areas of the New Lands where the moisture supply has been inadequate during much of the growing season.

In a major speech on 7 August, Khrushchev implied that the amount of grain procured this year would be 35 percent greater than in 1960 and about 11 percent above the record set in 1958. Although Khrushchev's claim is probably overoptimistic, Soviet agricultural production this year will undoubtedly be well above the mediocre harvests of 1959 and 1960. Observations by US Embassy officers and their recent conversations with officials in the Ministry of Agriculture have confirmed the excellent winter grain crop. In the Ukraine, with the corn crop

Khrushchev's speech, however, avoided assessing crop prospects in the New Lands, which annually produce about 40 percent of Soviet grain. The harvest there--to begin late this month--will probably be only average at best. Although the area had an early spring which permitted early seeding, inadequate rainfall, especially in Kazakhstan, and high temperatures in May have seriously reduced soil moisture.

Despite a recent dry spell in main growing areas which may reduce yields a bit, a good corn crop is in prospect and may help to offset any shortcomings in the harvest from the New Lands. Some 19,000,000 acres of corn are to be harvested as grain--rather than as silage--6,400,000 more than in 1960. Although the dry spell also affected areas planted to sugar beets, sunflowers, and other crops, the outlook continues favorable for them as well. Indications are that the 1961

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cotton harvest will exceed the mediocre one in 1960.

Although the total production of meat was probably lower in the first half of 1961 than in the same period of 1960, prospects for the Soviet livestock industry appear quite favorable. The early, moist

spring promoted early grass growth, and generally satisfactory growing conditions during the summer have provided ample forage. Sufficient winter feed supplies seem probable in the 25X1 light of the excellent winter grain harvest and the prospects of a good corn crop.

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NEW SOVIET PROPAGANDA AGENCY BEGINS OPERATIONS

The first activities of Novosti--the new "nonofficial" Soviet press and information agency established on 21 February--confirm previous indications that it would serve as a major propaganda organ for Soviet Communism and Communist-front organizations, especially in underdeveloped areas. Daily news coverage is apparently to be left to TASS, the official wire service. Novosti will concentrate on background information and feature articles, drawing on prominent Soviet and foreign writers, scientists, and public figures. The appointment of Aleksey Adzhubey--Khrushchev's son-in-law and editor of the government organ Izvestia--as one of four chairmen of the governing Council of Founders suggests that Novosti will follow his livelier human-interest approach to journalism.

Novosti's first product--published in Izvestia on 31 May--was an international poll on the question: "Is modern youth a lost generation, as alleged by bourgeois propaganda?" The object of the poll was to publicize the World Youth Forum, which opened in Moscow on 25 July.

Material subsequently prepared by Novosti has stressed standard propaganda themes or interpreted international events from the Soviet point of view. In early June several Soviet newspapers carried dispatches from Novosti correspondents in Oslo, Paris, London, Tokyo, and Delhi predicting that the Vienna conference between Khrushchev and President Kennedy would

promote peaceful coexistence, despite efforts by American "cold war" circles to sabotage the meeting. The persons interviewed ranged from the Norwegian prime minister to several Asian winners of the Lenin Peace Prize. On 29 July, Radio Moscow broadcast a Novosti interview with departing Sudanese Premier Abboud which emphasized peaceful coexistence, disarmament, anticolonialism, and reorganization of the UN.

Novosti is setting up a world-wide network of offices and correspondents and has begun to make contacts with foreign press, radio, and other organizations. Boris Burkov--a former editor of the party organ Pravda and now executive director of Novosti--claimed in early July that his agency had already received "proposals for cooperation" from a number of publishers in the United States, Latin America, Asia, and Africa.

These "proposals" may have been solicited by letters similar to those which two Indonesian press agencies received from Burkov on 25 June. The letters suggested establishing working relationships for the supply of articles, photographs, and books on the USSR either in exchange for local materials "which will interest the Soviet press" or for a small fee. Burkov said he was sending a permanent representative for discussions with the two Indonesian agencies and with "other organizations which are interested in cooperating with our agency."

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This representative will be in a good position to penetrate non-Communist organizations and, if desired, to make local contacts for espionage purposes in the tradition of TASS correspondents. The editor in chief of the leftist Indonesian agency, who is strongly opposed to state-controlled news agencies, noted with interest Novosti's claim to be an "independent information organ."

Novosti has apparently supplanted the Soviet Information Bureau (Sovinformburo), which,

according to a Moscow radiobroadcast, was closed in early July. For many years the Sovinformburo--nominally a department of the Ministry of Culture but actually closely supervised by the party secretariat--had produced propaganda and counterpropaganda materials on the USSR and disseminated them through embassies, the Communist and fellow-traveler press, clandestine centers, and foreign Communist parties. Novosti appears to be a much broader and more useful agency for disseminating propaganda abroad.

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ALBANIA SEEKS ECONOMIC CONTACTS IN THE WEST

Albania is probing for increased trade with the West as part of its program to offset the economic effects of Tirana's growing estrangement from the Soviet bloc. Some Soviet aid projects in Albania have been suspended, and many Soviet advisers have left the country. In cooperation with Communist China, whose role in Albania is growing and probably will become of major importance by the end of the year, Tirana apparently intends to maintain its ideological position undeterred by the threat of Soviet economic sanctions.

Albania's nonbloc trade amounted to only \$4,000,000 in 1958--less than 4 percent of total trade. It has trade agreements with only seven nonbloc countries--Italy, Yugoslavia, Iraq, Syria, Cuba, Brazil, and Austria. The Austrian agreement was signed in late July and is apparently a direct result of Tirana's trade overtures to the West. Tirana plans to send a delegation to Paris to discuss a trade agreement. Turkey also was approached in June, and Canada has been queried about possible sales of wheat.

Several Albanian purchasing missions have visited Italy this year to negotiate with Italian firms. Albania has requested permission to increase

the size of its legation in Rome in order to include more economic officials. Pending clarification of Albanian trade plans, the Italian-Albanian trade agreement due to expire on 30 June was extended four months.

In its only major purchase in the West so far, Tirana took delivery of a merchant ship of 12,000 dead-weight tons built in Italy. Negotiations are under way for at least one other Western vessel, and a Polish-built ship is being delivered this month. Albania's interest in acquiring its first large merchant ships capable of world-wide commerce suggests an attempt is under way to expand trade outside normal channels with the USSR and Eastern Europe. The ship purchased from Italy has been scheduled for a voyage to China--the first voyage outside home waters by an Albanian-flag ship except for occasional trips to the Black Sea.

It is not certain whether the Albanian initiative to expand trade contacts with the West is chiefly a precautionary measure in anticipation of more stringent Soviet economic pressure, a response to sanctions already imposed, or simply a reflection of a long-term policy of reducing Albania's

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dependence on the USSR. The Albanians are negotiating with an Italian firm for the construction of a chemical fertilizer plant which the Soviet Union was originally committed to build as an aid project. Work on at least two other Soviet aid projects is known to have been suspended.

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However, Soviet-Albanian trade continues and there is no conclusive evidence of a curtailment of Soviet commodity credits, which normally underwrite a large part of Tirana's chronic trade deficit.

The problem of hard-currency payments for imports from the West may eventually prompt an Albanian appeal for Western aid. The French have indicated that, to finance purchases from France, they would permit the use of Albanian gold assets held in Paris since 1945. In the meantime, Peiping since last autumn has purchased grain for Albania in the West.

SOUTH KOREA

South Korean press reaction to Lt. Gen. Pak Chong-hui's program for a return to civilian government in 1963 has generally been favorable but cautious. President Yun Po-sun adopted a similar attitude and publicly endorsed Pak's 12 August announcement. He reflected the desire of educated civilian elements for an early return to civilian government by expressing hope that circumstances would permit a shortened period of military control.

The President also has indicated concern over limitations placed on free political activity prior to the transfer of power and fears that the junta, under pressure from extremist young colonels, will continue to try to direct affairs after the re-establishment of civilian government.

In his statement to the nation, Pak promised that, in accord with the regime's early pledge, the government would be returned to civilian control in the shortest time possible consistent with "eliminating vice and establishing the foundations for new democratic institutions." He outlined a timetable providing for the resumption of political activities by early 1963, the adoption of a new constitu-

tion before March of the same year, general elections in May, and a transfer of power the following summer. The new constitution is to provide for a strong president, with a 100- to 120-seat unicameral legislature. The regime intends to prohibit corrupt and dishonest former politicians from again becoming politically active.

On 15 August the junta released Lt. Gen. Yi Han-lim and seven other senior officers arrested shortly after the 16 May coup for "hesitating" to support the revolution. Yi was commander of the South Korean First Army, the field force stationed along the Demilitarized Zone facing the Communist North. The release of the eight was undoubtedly designed to reduce sensitivity over arbitrary and repressive actions of the junta and to encourage public confidence in the regime's promise to return government to civilian control.

Many South Koreans are in sympathy with the reformist objectives of the junta, if not with the junta itself, and probably will agree that 18 months are necessary to weed out corruption, institute basic reforms, and launch the regime's five-year economic development program. However, educated

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civilian elements have reason to question the regime's intentions. Security chief Col. Kim Chong-pil has stated that the junta intends to remain politically active beyond the time when civilian government is re-

established.

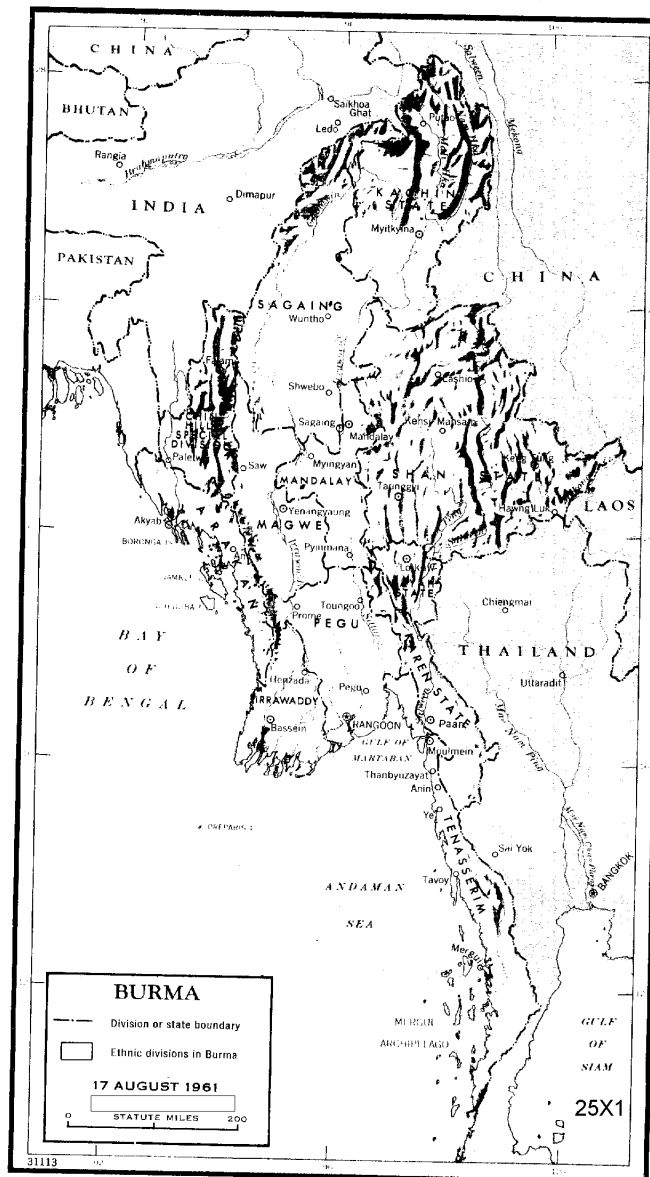
POLITICAL TENSIONS IN BURMA

Prime Minister Nu's decision to redeem his 1960 campaign pledge by amending Burma's constitution to establish Buddhism as the state religion is deepening the rift between the country's Burman majority and its Shan, Karen, Kachin, and Chin minorities. Nu appears assured of the necessary parliamentary majority for this move, but he may force the disaffected animist and Christian Kachins into active revolt and lead Chin and Kachin units to desert the army; the army particularly fears violence in Kachin State. Nu's action will also provide an issue on which all of Burma's minority communities may unite in opposition to the government.

were given no realistic alternative. Even then they demanded and obtained special privileges to protect them from Burman domination. These privileges,

The religious issue is only a minor element in the strained relations among Burma's ethnic communities. The Karen National Defense Organization, which has been in revolt since 1949, is primarily Buddhist in membership, as is the insurgent Shan Independence Army. The ethnic minorities, however, whether Buddhist or not, see the constitutional amendment as another government effort to force them into a Burman cultural pattern, and to relegate both the ethnic and religious minorities to second-class citizenship. Despite U Nu's assurances that the rights and privileges of all peoples will be protected, minority leaders are becoming increasingly restive.

Karen, Sahan, and Kayah leaders agreed to join the Union of Burma when Britain withdrew in 1948, but only because they

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which included over-representation in the upper house of Parliament and a degree of state autonomy, now are deemed inadequate by these minorities. They assert that the Burmans have discriminated against them in educational employment opportunities and promotions, and they charge that the government has ignored their economic needs.

Fundamental to the current tensions is a historic minority distrust of the Burman majority.

This has been augmented by arrogance on the part of Burman civilian and military officials in the minority areas.

The Shans, Karens, and Kachins have been joined by the Chin, Mon, and Arakanese communities and now are pressing for major constitutional revisions to limit Burman primacy. They propose to re-form the Union as a federation of states on the American or Swiss pattern. 25X1

TURKEY

Turkey's military leadership is taking precautions against disorders, now that the political trials have been concluded and the time for sentencing the leaders of the former Democratic party (DP) regime approaches. Martial law extends to the entire country. Organizational efforts of the smaller political parties are being harassed.

The sentences to be handed down on 15 September are likely to include death for at least former Premier Menderes and his principal associates. However, the ruling Committee of National Union (CNU) is worried over Menderes' continuing popularity and the possibility of demonstrations by his supporters. Although the DP is outlawed, CNU members are concerned lest one of the smaller parties--the Republican Nation Peasants party, the New Turkey party, or the Justice party--adopt Menderes' policies to gain the votes of the peasants and other DP adherents in the elections on 15 October. Some observers believe the CNU may even bar these parties from the elections if they appear to have a chance of de-

feating the Republican People's party (RPP).

The CNU appears to be disunited, although the exact lines of internal opposition are not clear. Generally the older, more senior officers are committed to returning the government to civilian authority by 29 October--as promised--and tend to favor the RPP and its veteran leader, former President Ismet Inonu. The younger CNU members and some officers in other important positions tend to favor continued military rule in order to push the reforms which Menderes soft-pedaled for political expediency. These officers not only consider the 77-year-old Inonu unacceptable as today's leader, but have little use for any civilian politician.

Last November, 14 officers who held these views were expelled from the CNU and exiled to diplomatic missions around the world. Despite official denials it appears that CNU members and other influential officers are engaged in a controversy over whether these officers may be permitted to return to Turkey. 25X1

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US-PORTUGUESE RELATIONS

Pedro Teotonio Pereira, who has just arrived in Washington to reassume the ambassadorship he vacated 11 years ago, has long been considered Salazar's choice to succeed him in the premiership. The appointment, which probably reflects Salazar's desires to have his views forcefully presented in Washington, comes at a time when Portuguese domestic propaganda is blaming the United States for Lisbon's African problems and when Lisbon is planning to criticize the American policy when it discusses these problems in NATO.

Lisbon has increasingly tended to hold the United States responsible for the growth of African nationalism as Portugal's military difficulties in Angola have multiplied and as it has been subjected to "anticolonial" pressure from other African states--for example, Senegal's severance of diplomatic relations on 25 July and Dahomey's seizure of the Portuguese exclave of Ouidah on 1 August. A constant theme in the controlled press has been that Portugal's difficulties with its "African provinces" derive in large part from US support of "anticolonialism" in the United Nations. In early July, Ambassador Elbrick reported that "the US now is identified as Public Enemy Number One."

Lisbon's harassment of American missionaries in Angola stems in part from the involvement of some of them in the clandestine departure of African students, but it also reflects a Portuguese suspicion that the US Government is using subversive means to dislodge Portugal from Africa and to undermine the Salazar regime. On 16 July, Foreign Minister Nogueira informed a US Embassy officer that the government had strong reasons to believe US secret agents were operating in Portugal and in Portuguese Africa. Elbrick reported that Nogueira "apparently believes that the alleged agents are seeking to overthrow the Salazar government."

Portugal seems prepared to take retaliatory action. Nogueira told Elbrick last week that his report on Angola to the North Atlantic Council in September would include criticism of the US.

Just before Pereira left for Washington earlier this month he told Elbrick that the "US must show some confidence in Portugal and more understanding of Portuguese problems," and said he hoped to make Portugal's position clear to the US Government leaders when he arrived in Washington. 25X1

THE CANADIAN POLITICAL SITUATION

The launching of Canada's "New Democratic party" early this month and the approach of the 7 September date for reconvening Parliament have encouraged speculation over the possibility of a snap fall election.

Conservative Prime Minister Diefenbaker's unusual move in recessing Parliament on 13 July followed rejection by the Liberal-dominated Senate of two major pieces of legislation connected with his government's

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program to stimulate the lethargic economy. The American Embassy viewed his decision as an indication that he planned to use the succeeding weeks for an intensive assessment of the political situation to decide if he would profit by calling general elections later this year. Elections are not mandatory until March 1963.

Diefenbaker had staked his prestige on the passage of the two controversial bills. Their rejection gives him an effective electoral issue: whether an appointed Senate should be able to overrule the decisions of a popularly elected House of Commons.

While the latest public opinion poll shows the Conservatives still trailing the Liberals, the gap has lessened considerably since the ruling party's low point last January. Despite the fact that it holds 205 of the 265 seats in the House of Commons, the government is extremely sensitive about its popular standing, and is probably tempted to seek a

new mandate soon rather than risk another severe antigovernment trend next year. Moreover, the Liberals seem apprehensive about their own electoral strength. Liberal leader Pearson told Ambassador Merchant on 13 July that he did not want general elections now but had been unable to restrain the Liberal senators from rejecting the government's measures.

On the other hand, the developments at the 31 July -4 August founding convention of the "New Democratic party" have probably encouraged Conservative hopes that this party will make serious inroads on the Liberals' electoral support. The party aligns the socialist Cooperative Commonwealth Federation party (CCF) with the Canadian Labor Congress under an unexpectedly moderate socialist program and the national leadership of the popular Tommy Douglas, CCF premier of Saskatchewan. Diefenbaker may therefore decide it is politically smart to allow the new party time to strengthen its organization before calling elections.

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SPECIAL ARTICLES

PROPOSALS FOR REORGANIZATION OF THE UNITED NATIONS SECRETARIAT

UN Secretary General Hammarskjold is proceeding with his plans to reorganize the UN Secretariat to accommodate some of the demands of Afro-Asian, particularly African, members for a larger share of policy-making positions. On 8 August he told US officials that his proposed reorganization has been well received by the Afro-Asians. He believes that this factor, together with the success of the UN Congo operation and his known sympathy for the Tunisians in the Bizerte dispute, will counter Soviet charges that he is an "imperialist stooge," and make it difficult for the USSR to muster support in its opposition to the Secretariat.

The question of the secretary general's authority and of the personnel and functions of the UN Secretariat was brought into the foreground in the fall of 1960 by Khrushchev's bitter attacks on Hammarskjold. The Soviet premier demanded that the secretary general's office be replaced by a three-man "collective executive body" composed of representatives of the West, the Communist bloc, and the neutral nations. Although the "troika" proposal failed to get much support, many UN members, particularly the Afro-Asians, were in sympathy with Moscow's campaign to get bloc nationals into key policy-making positions in the Secretariat on the premise that equitable geographic distribution should be the paramount consideration in the hiring of UN civil servants. The Afro-Asian nations also have long complained that they were

inadequately represented in the Secretariat.

Hammarskjold, even before Khrushchev's attack, had established two committees to help him in studying these demands. Their findings, along with Hammarskjold's own proposals, will probably become the focus of hot debate at the 16th General Assembly, which opens 19 September.

Committee Report

The eight-member Committee of Experts on the Activities and Organization of the Secretariat--appointed by Hammarskjold in the summer of 1960 on the recommendation of the 14th General Assembly session--issued its report on 14 June 1961. The report is perhaps more notable for the number of dissents it contains than for its recommendations.

A majority of the committee recommended that a country's population as well as its financial contributions to the UN be considered in distributing the bulk of the professional posts in the Secretariat. Each member state would be assigned a minimum of two staff positions in order to reflect within the Secretariat the membership of the UN as a whole. In addition, one staff member would be

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recruited from every member state for each 10,000,000 of its population up to 150,000,000, and one further staff position would be allotted for each 30,000,000 above 150,000,000. The remaining posts subject to geographic distribution would then be allotted according to the members' percentage share of the UN budget--the formula now in use.

The majority of the committee recognized that the policy-making responsibilities required a more flexible ratio for the higher professional posts, such as under secretaries and heads of political departments. They proposed a similarly constructed formula on a basis of regions rather than of individual member states. Seven geographical regions were devised: Africa, Asia and the Far East, Eastern Europe, Western Europe, Latin America, the Middle East, and North America.

The committee members split on the more fundamental issues involving the role of the secretary general and his top

officials. The majority gave no support to the Soviet member's insistence on a three-man executive. However, three members--India, Ghana, and the UAR--proposed that three deputy secretaries general be appointed to share policy-making responsibilities, a suggestion previously rejected by Hammarskjold. Western officials believe the three deputies--representing the three power blocs defined by Khrushchev as East, West, and neutral--would slow down and even paralyze the Secretariat's ability to act quickly in times of crisis.

Review Panel's Study

An advisory panel consisting of three former presidents of the General Assembly--Pearson of Canada, Prince Wan of Thailand, and Belaunde of Peru--was asked by Hammarskjold in November 1959 to advise him on correcting certain "weaknesses" in the organization. The panel's main recommendation called for establishing from three to five under secretaries general to deal with special political affairs. They would assist the secretary

REGIONAL DISTRIBUTION OF SECRETARIAT OFFICIALS AT UNITED NATIONS HEADQUARTERS

1 April 1961

	UNDER SECRETARIES AND EQUIVALENT RANK			LOWER PROFESSIONAL LEVELS		
	Existing Staff	Desired Distribution		Existing Staff	Desired Distribution	
		Present Formula	New Formula*		Present Formula	New Formula*
Africa	2	2	3	49	56	80
Asia and Far East	8	6	8	204	178	235
Eastern Europe	4	8	8	84	219	209
Western Europe	13	11	10	379	299	262
Latin America	4	3	3	107	76	94
Middle East	-	1	1	41	25	36
North America	14	14	12	381	392	329
Total	45	45	45	1,245**	1,245	1,245

*As recommended by eight-member Committee of Experts.

**There are, in addition, 23 officials from nonmember states.

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general on political missions, such as those Hammarskjold has undertaken to South Africa in 1960, Laos in 1959, and Peiping in 1955. Each of the five would also have responsibility for a geographic region.

Hammarskjold's Plans

The secretary general has developed some plans of his own for reorganizing the upper echelons of the Secretariat. He rejected the committee's recommendations concerning geographic distribution as being too inflexible and not allowing sufficient latitude for a secretary general to hire the most competent personnel regardless of origin.

He agreed that more posts must be found for African and Soviet bloc personnel, but again noted that it was difficult to get experienced people from new member-states where such persons are needed to help govern their own countries. The secretary general's difficulties in filling the East European quota stem to some degree from the conduct of bloc personnel.

Soviet nationals hired by the UN often delay their arrival at headquarters for more than two weeks after reaching New York by reporting first to the Soviet UN mission. Employees from the Soviet bloc do not stay in their jobs for more than three years, and they often resign without notice while on home leave. There have also been cases in which Soviet nationals have used UN assignments as cover for espionage. Many Soviet bloc applicants cannot meet minimum language or education requirements for higher UN jobs, but they refuse to accept positions at the lower professional levels.

Hammarskjold proposes that two categories of equal rank be established for senior UN officials: five assistant secretaries general with "political" responsibilities, and nine under secretaries with primarily

"administrative" functions. Assistant secretaries would serve only one term of three to five years, while under secretaries would serve up to two terms. Assistant secretaries would be selected on a broad regional basis.

Hammarskjold recommends four under secretaries in the Office of the Secretary General --a chef de cabinet, one for administrative affairs, a legal counselor, and a director of personnel. The remaining five would be in charge of trusteeship affairs, economic and social affairs, technical assistance, conference and general services, and public information.

Although Hammarskjold probably will not make many changes until after the General Assembly discusses his and the committee's proposals, he has recently transferred Andrew Cordier of the United States, who was his executive assistant, to the post of under secretary for General Assembly affairs. Cordier's other duties have been taken over by C. V. Narasimhan of India as chef de cabinet.

Another recent appointment is that of Robert K. Gardiner of Ghana as director of the Division of Public Administration. He will be the highest ranking African at UN headquarters. Gardiner is currently serving in the Congo as one of Hammarskjold's political aides.

In his efforts to find more high positions for Afro-Asians, however, Hammarskjold must take into account the morale of his present staff. Western European and U3 officials of the Secretariat--who provide its backbone--are [] dis- 25X1 satisfied and fear precipitate action to reduce their number regardless of their length of service and contribution to the organization. Lowered morale in the Secretariat at a time when it faces further attacks could affect general UN operations at the 16th General Assembly. [] 25X1

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PROBLEMS OF SOVIET PIPELINE CONSTRUCTION

The USSR has invited bids from West German and French firms for steel pipe and associated equipment to lay a 40-inch pipeline from the Gazli natural gas field, in the Uzbek SSR, to industrial consumers at Sverdlovsk, in the eastern Urals, a distance of 2,150 kilometers (more than 1,300 miles).

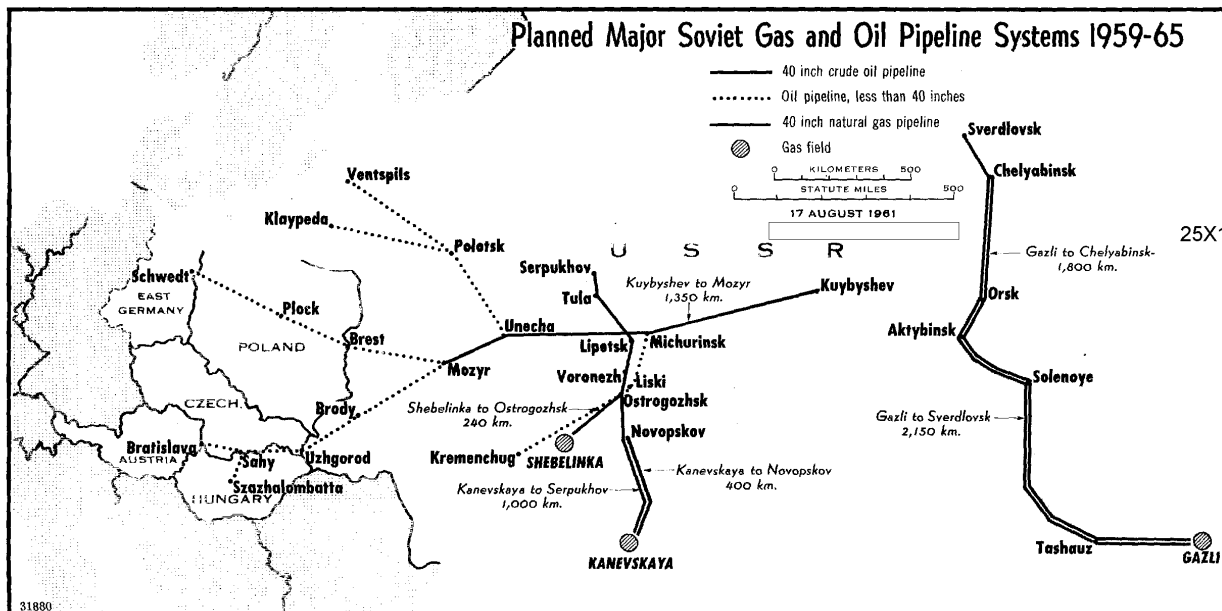
This pipeline--with a potential annual capacity of more than 350 billion cubic feet--is an integral part of the Soviet Union's general energy development program, and its completion would allow for a significant increase in the consumption of natural gas from Central Asia.

The availability of natural gas in the Ural industrial region as a substitute for other fuels might in turn be a determining factor in the pace at which Moscow continues to expand its oil exports to the free world.

Trade Negotiations

Three West German firms have formed a consortium to bid on the pipe, and other German companies may supply the compressors and short-wave equipment. A Soviet trade delegation was in Paris early this year seeking bids on pipe and discussing technical requirements for the project--including the communications system, automation, and equipment protection--with officials of French firms.

The form of payment will be a major obstacle in negotiating contracts with these firms. The trade delegation to Paris indicated that the Soviet Union preferred to pay with oil for Western equipment, but both the German combine and the French firms are reluctant to agree to this arrangement. Moscow may therefore offer at least partial payment in hard currencies.

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CURRENT INTELLIGENCE WEEKLY SUMMARY

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The Pipeline Project

The pipeline project, which will require 640,000 metric tons of steel pipe, presents a major problem in logistics, sophisticated construction, and equipment quality. Much of the line is to pass through arid and semi-arid wasteland. Temperature variations along the route are extreme; communications and other equipment must be capable of operation in the open under temperatures ranging from 49 degrees Fahrenheit below zero to 113 degrees above. A further problem will be the construction of a suspension bridge, 1,300 feet high over the Duidul-Atlagan gorge on the Amu-Darya River.

The Gazli-Sverdlovsk line, the major gas pipeline project of the USSR's Seven-Year Plan (1959-65), is part of a dual system designed to supply the Ural industrial region with inexpensive natural gas. The section between Gazli and Chelyabinsk is reportedly to be ready for use by the end of 1963, and the section to Sverdlovsk by 1965. Soviet planners hope to lay the Gazli-Chelyabinsk and Gazli-Sverdlovsk lines simultaneously, as well as a water pipeline along part of the route.

Lack of Steel Pipe

Construction of the Gazli-Chelyabinsk line was to have begun in 1960 but, for lack of pipe, was not started until this year. Apparently, pipe from Western suppliers, probably West German, already is being used on this line; about 120 miles of pipe are to be laid by the end of the year.

The lack of large-diameter steel pipe has deterred the

development of the Soviet oil and gas pipeline network for several years. The USSR does not yet produce 40-inch steel line pipe--although token amounts may be available domestically later this year. Unless the desired Western support can be obtained, it is likely that construction of the Gazli-Sverdlovsk gas pipeline will be beyond Soviet capability for several years at least.

Deliveries of steel pipe from Sweden, Italy, and England between 1962 and 1964 will total 525,000 tons. In addition, large shipments from West Germany have been scheduled, and if current trade negotiations are successful, large quantities may be supplied by Japan.

The oil and gas pipeline construction program for the Seven-Year Plan will require about 9,000,000 tons of steel pipe. Total requirements of 40-inch pipe during the period probably will be about 2,100,000 tons. Of this amount, the Gazli-Ural dual gas system is to account for 1,200,000 tons, all of 40-inch diameter.

Other Deterrents

Even if the construction program is fulfilled, operation could be limited by the absence of parallel facilities. Because of the lack of compressor and gas-turbine equipment, for example, a number of gas pipelines now in place have not been able to operate at rated capacity.

In addition, an inadequate supply of gas-consuming equipment and the delayed construction of city distribution systems have prevented the immediate operation of newly completed lines. Inability to distribute gas to prospective consumers has led to continued shortfalls in the annual production of natural gas, but no revision has been made in the goal of 150 billion cubic meters of gas for 1965.

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